

**GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA**

UNSTARRED QUESTION NO:2263
ANSWERED ON:07.12.2006
MARKETING OF LPG BY ONGC AND GAIL
Chitthan Shri N.S.V.

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) whether the Government proposes to allow Oil and Natural Gas Corporation and GAIL (India) Limited to market domestic Liquefied Petroleum Gas (LPG) to increase penetration of the clean cooking fuel to 75 per cent of the population ;
- (b) if so, the details thereof ; and (
- (c) the progress made so far in this regard ?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI DINSHA PATEL)

(a) to (c) : The Government had, in February, 2005 granted authorization for marketing of indigenously produced LPG to Oil and Natural Gas Corporation (ONGC) and GAIL India Limited (GAIL), subject to certain terms and conditions. The terms and conditions of this authorization were further modified in August 2005.

At present, a large proportion of available LPG is supplied as subsidized domestic LPG in the country. In 2005-06, about 94.7% of total available LPG was marketed as subsidized LPG. Subsidized LPG is marketed by the oil marketing companies (OMCs), namely Indian Oil Corporation Ltd. (IOC), Bharat Petroleum Corporation Ltd. (BPC) and Hindustan Petroleum Corporation Ltd. (HPC). In addition to the Government subsidy, the oil companies share the burden of subsidizing this product. The new entrants wanted to market commercial / industrial LPG and also wanted subsidy on domestic LPG.

The operational issues related to LPG marketing by new entrants were examined, and considering, inter-alia, the present mechanism of meeting the subsidy on domestic LPG, which constitutes a major proportion of the total LPG marketed in the country, it has been decided not to expand the list of companies marketing LPG for the present.